

15535/03 (Presse 356)

2552th Council meeting

- GENERAL AFFAIRS *-

Brussels, 8 December 2003

President : **Mr Franco FRATTINI**
Minister for Foreign Affairs of the Italian
Republic

* The 2553rd meeting on External Relations is the subject of a separate press release
(15536/03 Presse 357)

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- Where declarations, conclusions or resolutions have been formally adopted by the Council, this is indicated in the heading for the item concerned and the text is placed between quotation marks.
- The documents whose references are given in the text are available on the Council's Internet site <http://ue.eu.int>.
- Acts adopted with statements for the Council minutes which may be released to the public are indicated by an asterisk; these statements are available on the above mentioned Council Internet site or may be obtained from the Press Office.

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PARTICIPANTS

The Governments of the Member States and the European Commission were represented as follows:

Belgium :

Mr Jacques SIMONET

State Secretary for European Affairs, attached to the Ministry of Foreign Affairs

Denmark :

Mr Per Stig MØLLER

Minister for Foreign Affairs

Germany :

Mr Joschka FISCHER

Federal Minister for Foreign Affairs and Deputy Federal Chancellor

Greece :

Mr Giorgios PAPANDREOU

Mr Anastasios GIANNITSIS

Minister for Foreign Affairs

Deputy Minister for Foreign Affairs

Spain :

Ms Ana PALACIO

Minister for Foreign Affairs

France :

Mr Dominique de VILLEPIN

Ms Noëlle LENOIR

Minister for Foreign Affairs

Minister attached to the Minister for Foreign Affairs, with responsibility for European Affairs

Ireland :

Mr Brian COWEN

Minister for Foreign Affairs

Italy :

Mr Franco FRATTINI

Mr Roberto ANTONIONE

Minister for Foreign Affairs

State Secretary for Foreign Affairs

Luxembourg :

Ms Lydie POLFER

Deputy Prime Minister, Minister for Foreign Affairs and Foreign Trade, Minister for the Civil Service and Administrative Reform

Netherlands :

Mr Bernard BOT

Minister for Foreign Affairs

Austria :

Ms Benita FERRERO-WALDNER

Minister for Foreign Affairs

Portugal :

Ms Teresa GOUVEIA

Minister for Foreign Affairs

Finland :

Mr Erkki TUOMIOJA

Minister for Foreign Affairs

Sweden :

Ms Laila FREIVALDS

Minister for Foreign Affairs

United Kingdom :

Mr Jack STRAW

Secretary of State for Foreign and Commonwealth Affairs

* * *

Commission :

Mr Günther VERHEUGEN

Mr Christopher PATTEN

Mr Franz FISCHLER

Member

Member

Member

* * *

General Secretariat of the Council :

Mr Javier SOLANA

Secretary-General/High Representative for the CFSP

The Governments of the Acceding States were represented as follows:**Czech Republic :**

Mr Cyril SVOBODA

Deputy Prime Minister and Minister for Foreign Affairs

Estonia :

Ms Kriistina OJULAND

Minister for Foreign Affairs

Cyprus :

Mr George IACOVOU

Minister for Foreign Affairs

Latvia :

Ms Sandra KALNIETE

Minister for Foreign Affairs

Lithuania :

Mr Rytis MARTIKONIS

Under Secretary at the Ministry of Foreign Affairs with
responsibility for EU Affairs**Hungary :**

Mr László KOVÁCS

Minister for Foreign Affairs

Malta:

Mr Joe BORG

Minister for Foreign Affairs

Poland :

Mr Włodzimierz CIMOSZEWICZ

Ms Danuta HÜBNER

Minister for Foreign Affairs

Minister, Office of the Committee for European Integration,
Member of the Council of Ministers**Slovakia :**

Mr Eduard KUKAN

Minister for Foreign Affairs

Slovenia :

Mr Dimitrij RUPEL

Mr Janez POTOČNIK

Minister for Foreign Affairs

Minister for European Affairs

ITEMS DEBATED**PROGRESS OF WORK IN OTHER COUNCIL CONFIGURATIONS**

The Council took note of a progress report from the Presidency on work under way in the Council's other configurations, covering meetings held since the last report on 22 November.

The Presidency's report highlights in particular:

- the Economic and Financial Affairs Council's agreement on a financial regulation relating to Transeuropean Networks, and the reinforcement of the Facility for European Mediterranean Investment and Partnership within the European Investment Bank;
- the Competitiveness Council's decision on the establishment of an international framework concerning the International Thermonuclear Experimental Reactor;
- the agreements reached by the Justice and Home Affairs Council on a programme of measures to combat illegal immigration across the maritime borders of the Member States.

OPERATIONAL PROGRAMME OF COUNCIL ACTIVITIES FOR 2004

The Council took note of the presentation by the future Irish and Netherlands Presidencies - which will take office in 2004 - of a joint operational programme for organisation of the Council's work next year.

Setting out the challenges to be addressed in 2004, the programme aims at building on the work of the Greek and Italian Presidencies during 2003. With the European elections and a new European Parliament and Commission taking office during the year, it prioritises and focuses the legislative programme so as to enable goals to be achieved within the shorter timeframe available, including making a success of the EU's enlargement.

MULTIANNUAL STRATEGIC PROGRAMME FOR 2004-2006

The Council examined a draft multiannual strategic programme for the Council for the years 2004-2006, drawn up by the six Presidencies concerned (Ireland, Netherlands, Luxembourg, United Kingdom, Austria and Finland) in consultation with the Commission, and agreed to submit it to the European Council for approval (15047/03).

The programme, the first of its kind, is intended to steer the Council's work by setting a structured timeframe for implementing commonly agreed priorities. It sets out specific objectives to be achieved as part of the drive for economic competitiveness, full employment, social inclusiveness, environmental improvement and internal and external security.

The programme is presented in three main sections. The first considers the evolving constitutional, geographical and financial shape of the Union, the second sets out the priorities for policy modernisation and development in the main areas of internal policy, and the third outlines how the EU will engage with the wider world.

PREPARATION OF THE EUROPEAN COUNCIL ON 12 AND 13 DECEMBER

The Council approved an annotated agenda prepared by the Presidency as the basis for the deliberations of the European Council at its meeting on 12 and 13 December in Brussels.

The annotated draft agenda sets out the main items that the European Council is due to address, namely:

- Economic growth
- Strengthening the EU's area of freedom, security and justice
- EU enlargement
- Cyprus
- External relations, Common Foreign and Security Policy and Defence Policy

Work will continue on the text of the annotated agenda in the run-up to the European Council's meeting.

ECONOMIC REFORM - STRUCTURAL INDICATORS

The Council agreed on a shortlist of structural indicators to be used by the Commission in preparing its report on the economic reform strategy to the Spring European Council and agreed to submit it to the European Council for approval at its meeting on 12 and 13 December.

When adopting the EU economic reform strategy of Lisbon in March 2000, the European Council invited the Commission to draw up an annual synthesis report on progress made, on the basis of structural indicators to be agreed relating to employment, innovation, economic reform and social cohesion.

The structural indicators have been used in the Commission's "Spring Report" and other Commission documents to provide statistical support for policy messages and to measure progress towards the Lisbon objectives.

ENLARGEMENT

The Council adopted the EU common position on Transport Policy for the accession negotiations with Romania, so as to enable this chapter to be included on the agenda of the Accession Conference at Ministerial level with Romania on 9 December.

OTHER BUSINESS**– *Enlargement and reform of the Common Agricultural Policy***

The Council took note of concerns expressed by the Polish delegation at the extension of the phasing-in mechanism on new direct payments introduced for some agricultural sectors under a draft Decision and a draft Regulation that are currently being examined with a view to adoption by the Council with the aim of adapting the Act of Accession to the recent texts on reform of the Common Agriculture Policy (CAP).

The Polish delegation considers that the Regulation as currently drafted, would change the conditions agreed under the Accession Treaty on Poland's membership, and requested an increase in its milk quota for 2008/09 and 2014/15.

ITEMS APPROVED WITHOUT DEBATE

NOTE: The acceding countries Cyprus, the Czech Republic, Estonia, Hungary, Latvia, Lithuania, Malta, Poland, the Slovak Republic and Slovenia, align themselves with the conclusions on Georgia and South Caucasus, EU-UN relations, consular cooperation in third countries, Rwanda, EU-military rapid response and protection of civilian populations against the effects of terrorist attacks.

EXTERNAL RELATIONS

Countering terrorism - *Council conclusions*

The Council adopted conclusions on the countering terrorism, as follows:

- “1. The fight against terrorism is one of the highest priorities of the European Union. The Council approved the report on the activities of the European Union in the fight against terrorism under the Italian Presidency and endorsed its recommendations.
2. The Council noted as a concrete achievement in cross-pillar cooperation the work which has been conducted in this respect.
3. The Council took note of the Workshop on the Prevention of Financing of Terrorism held in Brussels on 7 November 2003 at the joint initiative of the Presidency and the Commission considering the great importance of the financial aspects for the prevention and suppression of terrorism.
4. As agreed by the Council (ECOFIN) at its meeting of 25 November 2003, the dialogue being pursued with the countries of the Gulf Cooperation Council on the prevention of terrorism financing and related issues should continue to be on the agenda of the EU-GCC relations both at political and technical level.
5. The Council considered that the Workshop was of particular significance and that its formula should be pursued in the future either with the same countries or with others in regions equally relevant to the EU's counter terrorism strategy.”

Guidelines on implementation and evaluation of sanctions

The Council approved guidelines on the implementation and evaluation of sanctions against third parties, entities and individuals under the EU's Common Foreign and Security Policy (15579/03). It requested the Secretary General/High Representative, in association with the Commission, to develop a policy framework for more effective use of sanctions, so as to enable further work on the issue to be carried out under the forthcoming Irish Presidency.

The guidelines address a number of general issues and establish standard wording and common definitions for use in the legal instruments used by the EU to implement sanctions. Experience in this field under the CFSP has shown there to be a need for improvements so as to enable expeditious and effective action.

In cases of implementation of United Nations sanctions, the guidelines are aimed at enabling Security Council Resolutions to be adhered to strictly, albeit allowing the EU to decide on measures that are more restrictive.

EU-UN relations – *Council conclusions*

The Council adopted the following conclusions:

- “1. The Council reaffirms the deeply rooted commitment of the European Union to make effective multilateralism a central element of its external action, with at its heart a strong UN, as also reflected in the current work related to the European Security Strategy. The EU is firmly determined to play a major role within the UN system in line with its objective of developing a stronger international community, international institutions which function well and international relations based on the rule of law and respect for human rights and for fundamental freedoms. The EU reaffirms its intention to contribute actively to the ongoing UN comprehensive reform process. Improving the efficiency and effectiveness of UN bodies, policies and processes is a priority for the EU.
2. The Council therefore welcomes the comprehensive Commission Communication on “The European Union and the United Nations: the Choice of Multilateralism”, which comes at a dynamic juncture in the EU-UN relations and represents an important contribution to the further development of the EU role at the UN, and to strengthening EU support for the UN. The Council welcomes CONUN’s consolidated Report presented to the PSC, which is based on the above Commission Communication.
3. The EU's dynamic role in UN affairs should be further developed and become commensurate with its present and future contribution in light of the enlargement of the Union. This role should be conducive to achieving effective multilateralism by building upon the EU contribution made so far to UN activities.
4. In order to help the multilateral system to deliver on its core objectives, the Council reaffirms the EU’s will to improve cooperation with the UN in areas where its contribution may have significant added value for UN activities. While the Union has progressively consolidated its contributions to sectors of UN activities, like human rights and economic and social issues, including sustainable development, further efforts should be made to raise its profile in all the components of a comprehensive approach to peace, security and development, which are interrelated: conflict prevention, crisis management, peace-keeping and peace-building.

5. In this context, the Council recalls the EU-UN Joint Declaration of 24 September 2003 on cooperation in crisis management. It also recalls its Conclusions of 29 September and looks forward to receiving information from the SG/HR on the outcome of contacts so far with the UN for the implementation of the above Joint Declaration.
6. The purpose of closer cooperation between the EU and the UN, as far as the area of development cooperation is concerned, must be to support the implementation of the objectives of the Millennium Declaration, in particular poverty eradication, including through substantially improving the effectiveness and enhancing the coherence of development cooperation. The EU will play a leading role in securing a successful outcome to forthcoming major UN conferences such as the World Summit on the Information Society (in 2003 and 2005), the 11th UN Conference on Trade and Development (June 2004) and the review after 10 years of the Barbados Programme of Action for Small Island Developing States (August 2004).
7. Better coordination should be achieved between the EU and the UN in addressing disarmament, non-proliferation and terrorism issues by considering the possibility of joint initiatives/projects and providing assistance to third countries in the fulfilment of their obligations under multilateral instruments and regimes.
8. The Council acknowledges the progress made in the implementation of Article 19 of the TUE and decides to continue its efforts to ensure overall consistency of the EU approach on Security Council issues.
9. The Council recognises the importance of better integration of multilateral and bilateral objectives into EU policies and supports the need to address multilateral issues in the EU's political dialogues with third countries more systematically. It also considers that the EU has a special role to play in supporting capacity building in these countries in order to help them meet their international commitments.
10. The EU is committed to improving its working and coordination methods at the UN, in particular at certain UN headquarters, taking into account the potential for positive results offered by the forthcoming enlargement. The Council acknowledges the need for a more focused and strategic approach in the speedy identification of its objectives and in developing a leading role in achieving them through more effective and result-oriented coordination. It is also determined to improve the coherence of the EU message at the UN through proper management of its statements and better coordination of support and of voting on decisions and resolutions by EU member States.
11. The Council recalls the importance of promoting continuous dialogue between the EU and other UN members on a bilateral or regional basis and of enhancing its outreach to them on a regular basis, in order to make EU views and positions better known.
12. To strengthen the efficiency and effectiveness of EU external action it is also necessary to ensure consistency in EU policies elaborated by the Council's bodies and implemented at UN headquarters as well as in EU bilateral contacts.

13. In view of the need to integrate UN affairs into EU activities more systematically and at an early stage, the Council requests the Political and Security Committee, relevant Council Working Groups and Heads of Mission at the main UN headquarters to ensure the follow-up of these Conclusions and to continue to address the Commission Communication, with a view to reaching appropriate decisions on the way forward.”

EU Guidelines on children and armed conflict

The Council approved EU Guidelines aimed at addressing the issue of children and armed conflict and raising awareness by giving more prominence to action taken in this field (15634/03). Promotion and protection of the rights of the child is a priority of the EU's human rights policy and the EU considers it of critical importance to address the issue of children and armed conflict.

Through the guidelines, the EU undertakes to address the short, medium and long term impact of armed conflict on children in an effective and comprehensive manner, making use of the variety of tools at its disposal, and building on past and current initiatives.

The EU's objective is to influence third countries and non-state actors to implement international human rights norms and standards and humanitarian law and to take effective measures to protect children from the effects of armed conflict, to end the use of children in armies and armed groups, and to end impunity.

This initiative has been one of the main priorities of the Italian Presidency in the field of human rights. The idea of developing such guidelines was first mentioned in the Council conclusions of 9 and 10 December 2002, and has met with considerable support from the European Parliament, the Joint EU-ACP Parliamentary Assembly and civil society.

The guidelines were developed in close coordination with Mr Olara A. Otunnu, the UN Secretary General's Special Representative on Children and Armed Conflict, UNICEF as well as a number of specialised NGOs. The implementation of these guidelines will be further discussed with these actors during the upcoming Annual Human Rights Forum in Rome (10 and 11 December 2003). All the relevant actors in the EU institutions have also been closely involved in the development of these guidelines.

In the past decade, armed conflicts are estimated to have claimed the lives of over two million children and maimed six million more. Some 20 million children are displaced or refugees, while others are held hostage, abducted or subjected to trafficking. At any given time, there are estimated to be at least 300 000 child-soldiers participating in conflicts. The Convention on the Rights of the Child is almost universally ratified, but by no means universally applied.

Relations with Russia – Cooperation on non-proliferation and disarmament

The Council adopted a Decision implementing Joint Action 2003/472/CFSP on the EU cooperation programme aimed at non-proliferation and disarmament in Russia.

The cooperation programme is aimed at supporting Russia in the pursuit of a safe and environmentally-sound dismantling or conversion of infrastructure, equipment and scientific capabilities linked to weapons of mass destruction. It was adopted in December 1999 under Joint Action 1999/878/CFSP, and was continued on 24 June 2003 under Joint Action 2003/472.

The Decision is aimed at implementing the Joint Action by making a financial contribution, for a total of EUR 5.5 million, to specific projects.

Weapons expertise – Accession of Canada to the International Science and Technology Centre

The Council adopted a Decision approving, on behalf of the EU, the accession of Canada to the Agreement establishing an International Science and Technology Centre between the United States, Japan, Russia and the EU (14850/03).

The ISTC Agreement was signed in November 1992. The Centre is aimed at allowing ex-Soviet scientists and engineers with knowledge and qualifications relating to weapons of mass destruction or missile launching systems to direct their skills towards peaceful activities and to contribute to the solution of national or international technical problems.

The accession of Canada stems from global initiatives on countering the proliferation of weapons of mass destruction and fits in with the concern of the ISTC parties to see their numbers enlarged.

EU Special Representatives

The Council adopted Joint Actions extending until 30 June 2004 and amending the mandates of the EU Special Representatives (EUSRs) for:

- the African Great Lakes region, Mr Aldo Ajello (15343/03)
- the former Yugoslav Republic of Macedonia, Mr Alexis Brouhns (15344/03)
- Afghanistan, Mr Francesc Vendrell (15345/03)
- the South Caucasus, Mr Heikki Talvitie (15347/03)
- the Middle East Peace Process, Mr Marc Otte (15348/03).

The EUSRs seek to further the EU's policy objectives in their respective areas, under the authority and operational direction of the High Representative for CFSP.

Consular cooperation in third countries - *Council conclusions*

The Council adopted the following conclusions:

“The Council took note of the updated Guidelines on Consular Protection of EU citizens in the event of a crisis, as prepared by the Working Party on Consular Affairs and endorsed by the PSC on 28 November 2003, underlining the importance of protecting and assisting EU citizens, by providing diplomatic and consular missions with recommendations aimed at enhancing the protection of Member States’ nationals in third countries where their safety is endangered.

The Council particularly welcomed the perspective of closer cooperation on the matter - including contingency planning and a better communication system, both at local level and in the capitals – with a view to strengthening European solidarity in the perception of EU citizens.”

Central America – Political Dialogue and Cooperation Agreement

The Council adopted a Decision approving the signature, on behalf of the Community, of the Political Dialogue and Cooperation Agreement between the Community and its Member States, on the one hand, and the Republics of Costa Rica, El Salvador, Guatemala, Honduras, Nicaragua and Panama, on the other (14855/03).

Negotiations were concluded and the draft Agreement initialled on 2 October 2003 in Brussels.

Andean Community – Political Dialogue and Cooperation Agreement

The Council adopted a Decision approving the signing, on behalf of the Community, of the Political Dialogue and Cooperation Agreement between the Community and its Member States, on the one hand, and the Andean Community and its member countries, the Republics of Bolivia, Colombia, Ecuador, Peru and Venezuela, on the other hand (14856/03).

Negotiations were concluded and the draft Agreement initialled on 15 October 2003 in Quito.

Rwanda – *Council conclusions*

The Council adopted the conclusions as follows:

- "1. In the light of the most recent political developments in Rwanda, the Council welcomes the progress made by the country since the tragic events of 1994 and recognises the key position of Rwanda in the Great Lakes region, and the fundamental role of the Rwandan Government in solving the crises that have struck the region over the past decade.

The objectives and priorities of the European Union in its relations with Rwanda are to encourage, stimulate and support the process of:

- (a) consolidation of democracy and promotion of human rights and fundamental freedoms;
- (b) recovery from genocide and the promotion of national reconciliation, in particular through trials by "Gacaca" courts and the process of demobilising and reintegrating fighters;
- (c) reconstruction, poverty reduction and development.

Noting that regional instability may play a part in jeopardising the achievement of these goals, the European Union encourages the Government of Rwanda to work towards the achievement of regional stability, by giving its support to the ongoing process of peace and transition in the region.

2. With regard to the process of consolidating democracy, the Council:

- emphasises the importance of completing the electoral process in Rwanda (constitutional referendum on 26 May, presidential poll and parliamentary elections conducted in Rwanda on 25 August and 28 and 29 September respectively), and considers that these represent fundamental steps in the process of the country's democratisation and illustrate the progress that Rwanda has made since the genocide of 1994;
- refers to the comments made by the European Union's election observation mission as regards the obstacles to opposition activities, the intimidation, the threats and the arrests that marked the election campaign;
- calls upon President Kagame to exercise the mandate accorded by the people so as to ensure that all Rwandans can enjoy their constitutional rights, including freedom of expression, and to promote the fully inclusive involvement of Rwandan society – including political parties, civil society and the independent media – in the country's political development, which remains a precondition for real economic and social progress in Rwanda.

3. With regard to the process of national reconciliation, the Council:

3(a) on the administration of justice:

- encourages the resumption of the system of "Gacaca" courts, and reaffirms the European Union's readiness to support their jurisdiction and role in the process of national reconciliation;
- notes the Rwandan judicial authorities' decision in January provisionally to free several tens of thousands of detainees. This decision confirms the importance of the "Gacaca" initiative to promote justice and at the same time to relieve crowding in the country's prisons;
- notes that most trials have been postponed until 2004, owing to the effort required for holding the recent elections;
- also reiterates its support for the International Criminal Tribunal for Rwanda and invites the Rwandan Government to collaborate fully with this institution so that it can carry out its mandate in full;

- encourages the Rwandan Government to consider the abolition of the death sentence and to accede to the Statute of Rome of the International Criminal Court.

3(b) on the demobilisation and reintegration of fighters:

- confirms the European Union's support for the regional demobilisation and reintegration programme (MDRP) for former fighters which is being run by the World Bank, to which the Union and several Member States have made a contribution;
- notes that the Rwandan Government was the first to benefit from the above programme's trust fund in the framework of its national demobilisation programme, which enabled the process of reintegration to be intensified.
- recognises the fundamental importance, for the national reconciliation of Rwanda, of the reintegration of all those who – not being involved in the 1994 genocide but nevertheless being part of the armed groups that were against the Rwandan Government – surrender their weapons and agree to resume their places in civil life;
- also recognises the close link between the reintegration of fighters in Rwanda and the success of the peace process in the Democratic Republic of the Congo;
- therefore welcomes the progress made recently in repatriating Rwandan fighters from the DRC and the high-level visits between the leaders of those two countries;
- calls on Rwanda to commit itself fully to following this logic in the cause of peace and stability in the Great Lakes region.

4. With regard to economic and social development and cooperation, the Council:

- stresses the close links between proper implementation of the poverty reduction strategy paper and continued efforts by the Government of Rwanda to contribute to the achievement of a return to peace in the Great Lakes region, especially in the Democratic Republic of the Congo, and to consolidate the process of reconciliation and democratisation in Rwanda;
- reiterates that the efforts towards encouraging successful political transition in the DRC will influence the cooperation links between the European Union and Rwanda.

5. With regard to the regional dimension, the Council:

- welcomes the significant progress made over the past months in the peace processes in the Democratic Republic of the Congo and in Burundi;
- recognise the primordial importance of these peace processes for the security of Rwanda;

- expresses the European Union's firm commitment to supporting the peace process in the Great Lakes region. In this respect, the Council expresses its support for the idea of an International Conference for Peace, Security, Democracy and Development for the Great Lakes region under the aegis of the United Nations and the African Union."

Relations with Ukraine – Implementation of the common strategy – Cooperation Committee

The Council approved a report on implementation of the EU's Common Strategy on Ukraine, adopted by the European Council at Helsinki in December 1999, and agreed to recommend that the European Council extend the period of its application until 23 December 2004 (*15258/03, 15481/03*).

The Council also approved the position to be adopted by the EU at the sixth meeting of the EU–Ukraine Cooperation Committee, to be held in Kiev on 11 December.

European Economic Area – Enlargement – Assent of the European Parliament

The Council agreed to forward to the European Parliament, for its assent, a draft Decision approving the Agreement on the participation of the Accession States in the European Economic Area and four related Agreements (*15285/03*).

The signing of the Agreement, between the three EEA – European Free Trade Agreement countries (Iceland, Liechtenstein and Norway), the fifteen current EU Member States and the ten Accession States was concluded on 11 November 2003. The EEA Agreement provides for the participation of the three EEA–EFTA countries in the EU's internal market; the EEA Enlargement Agreement ensures the participation of the EU's ten new Member States in the EEA as from their accession on 1 May 2004.

Partnership and Cooperation Agreements – Protocols to take account of EU enlargement

The Council agreed to authorise the Commission to enter into negotiations with Armenia, Azerbaijan, Belarus, Georgia, Kazakhstan, Kyrgyzstan, Moldova, Russia, Turkmenistan, Ukraine and Uzbekistan on Protocols to adapt the Partnership and Cooperation Agreements with these countries in order to take account of enlargement of the EU.

The EU's aim is to conclude the negotiations rapidly so as to enable the Protocols to enter into force upon the accession of the ten new Member States on 1 May 2003. In the case of Belarus and Turkmenistan, the Protocols will not be formally concluded until a Partnership and Cooperation Agreement has been concluded.

Relations with Morocco – Competition rules

The Council approved a draft Decision on the implementation of competition rules under the Euro-Mediterranean Association Agreement between the EU and Morocco, and agreed to its adoption by the EU-Morocco Association Council by written procedure (*14936/03*).

EUROPEAN DEFENCE AND SECURITY POLICY

Civilian Aspects of Crisis Management

The Council adopted a progress report on civilian aspects of crisis management. The report reflects the state of play in the development of non-military crisis management instruments, structures and procedures since the Helsinki 1999 European Council.

This includes work on the priority areas identified by the European Council in Feira in 2000 (police, strengthening rule of law, strengthening civilian administration and civil protection) as well as the first civilian operations under the European Security and Defence Policy (ESDP): the EU Police Mission in Bosnia and Herzegovina (launched 1 January 2003) and the EU Police Mission in the former Yugoslav Republic of Macedonia ("Proxima") to be launched later this month.

European Capability Action Plan (ECAP)

The Council took note of the document "ECAP- An approach including objectives, timelines and reporting".

This document proposes a set of practical steps, along with technical measures, required to ensure that the new, more challenging phase of the European Capability Action Plan (ECAP) will yield the necessary results to improve European military capabilities.

The ECAP was launched in 2001 to address a series of identified capability shortfalls.

European Union Police Mission (EUPM)

The Council adopted a Decision concerning the implementation of Joint Action 2002/210/CFSP on the European Union Police Mission (EUPM) (15439/03).

Under this Decision, an amount of EUR 17,5 million covering operational running costs of EUPM in 2004 will be financed from the general budget of the European Union.

EU military rapid response - *Council conclusions*

The Council adopted the following conclusions:

“Following the Council conclusions of 17 November 2003, the Council concluded that the EU military rapid response capability should be taken forward by the appropriate Council bodies. The work should now be initiated, aimed at complementing the Headline Goal with a precise definition and subsequent identification of and modalities for EU rapid response elements. In this respect, the Council welcomed the proposals to further develop the EU's military capability to support the UN in crisis management at short notice and on a short-term basis. The Council requested the Political and Security Committee to continue guiding the necessary EU developments in this field. It requested the SG/HR to report to the Council in March 2004 on the progress made on possible amendments of the Helsinki Headline Goal Catalogue and on any necessary adjustments of Advance Military Strategic Planning to support EU Rapid Response Operations, and to make suggestions for further work.”

Protection of civilian populations against the effects of terrorist attacks - *Council conclusions*

The Council adopted the following conclusions on the database of military assets and capabilities relevant to the protection of civilian populations against the effects of terrorist attacks, including chemical, biological, radiological and nuclear(CBRN) attacks:

- “1. Following the European Council’s request contained in the Seville declaration of 21/22 June 2002 on the contribution of CFSP, including ESDP, in the fight against terrorism,¹ the issue of how military assets and capabilities could be used to assist in protecting civilian populations against the consequences of a terrorist attack, including chemical, biological, radiological and nuclear (CBRN), has been discussed in the Union's institutions.
2. In this context, a database of military assets and capabilities relevant to the protection of civilian populations against the effects of terrorist attacks, including CBRN, has been established with the EUMS.
3. The content of the military database will be made available to the existing Community Civil Protection Mechanism², in accordance with modalities, procedures and criteria to be defined in close coordination with the Commission and the Council Secretariat including the EU Military Staff.
4. Work will be undertaken to consider interoperability issues between the civilian and military assets in civil protection operations. For that purpose, the use of planning scenarios and lessons identified from real incidents, will be a starting point for further considerations. This would also ensure a better understanding of the military capabilities potentially available.
5. The information on the foregoing military assets (up to CONFIDENTIEL UE) will be protected in accordance with existing Council security regulations and the Commission security provisions.

¹ SN 200/1/02 REV 1.

² Council Decision 2001/792, Euratom, of 23 October 2001 establishing a Community mechanism to facilitate reinforced cooperation in civil protection assistance interventions, OJ L 297, 15.11.2001, p. 7.

6. The Council asks the Political and Security Committee to oversee the definition of the aforementioned modalities, procedures and criteria by the relevant Council bodies and to report back to the Council through Coreper.”

TRADE POLICY

Negotiations on world trade - Doha Development Agenda - *Council conclusions*

The Council adopted the following conclusions on the Commission communication “Reviving the DDA negotiations - the EU perspective”:

- “1. The Council welcomes the Commission communication "Reviving the DDA negotiations – the EU perspective", which brings to an end the process of reflection and review that the Commission and Member States have carried out since the failure of the Cancún Conference. The Council notes that the communication responds to the invitation and to the orientations of the European Council on 16 and 17 October 2003.
2. The Council endorses the analysis of the Commission and the approach the Commission proposes to explore. To this end the Council reaffirms the following orientations:
 - (a) the EU's commitment to the multilateral approach to trade policy remains unchanged and is a top priority in the EU's external relations;
 - (b) the EU expresses its conviction that the Doha Declaration is still relevant and that the DDA negotiations continue to offer great potential to foster long-term economic growth, to stimulate trade and investment, including among developing countries, to promote sustainable development and the management of the challenges of globalisation and to contribute to the achievement of the Millennium Development goals;
 - (c) the Council conclusions of October 1999, revisited and reaffirmed in subsequent Council conclusions, in particular in July 2003, remain valid;
 - (d) the EU is in favour of an early relaunch of the DDA and is determined to participate constructively and actively in efforts to this end. The EU expects all Members of the WTO to act in the same spirit by being willing to reflect on their own approach and come back to the negotiations with the flexibility needed to show their commitment to a successful resumption of negotiations;
3. In the expectation of a constructive attitude on all sides, the Council encourages the Commission to explore with the other WTO Members the ideas contained in its communication with a view to refining the EU negotiating approach in a number of areas and to taking account of the manner in which discussions have developed over the past few months or at Cancún itself.

The Council invites the Commission to continue to operate in close consultation with Member States and to report back to the Council with a view to assessing the state of play in the light of the outcome of the exploration carried out by the Commission as well as of efforts undertaken by other WTO Members.”

Relations with United States – Foreign sales corporations – EU countermeasures

The Council adopted a Regulation establishing additional customs duties on imports of certain products from the United States in response to continuing non-compliance by the US with World Trade Organisation dispute settlement rulings on the incompatibility with WTO rules of its Foreign Sales Corporations Act and replacement legislation (14359/03).

The Regulation provides for the imposition of countermeasures using a gradual approach, both in terms of timing and the level of duties. The application of duties at an initial level of 5 % in March 2004 will be increased monthly up to a level of 17 % in March 2005, and thereafter the Commission will present a proposal for further action in the light of developments.

On the selected products, tariff bindings granted by the EU to the US will be suspended from 1 March 2004, and the suspension will be notified to the WTO by that date. The timing is aimed at allowing the US to comply with the WTO ruling before the countermeasures are actually imposed. The suspension of tariff bindings will be temporary and will only be applied until such time as the incompatibility with WTO rules has been removed. The Commission will present a proposal for repeal of the Regulation even before the countermeasures are applied on 1 March 2004 if the US has fully complied with WTO rulings before that date.

Following the dispute settlement rulings in March 2000 and January 2003, the WTO Dispute Settlement Body in May 2003 authorised the EU to impose countermeasures against the US for a total of USD 4 billion.

ECONOMIC AND FINANCIAL AFFAIRS

Financial instruments markets (Investment Services Directives)* - *Public deliberation*

Following the agreement of 7 October 2003 and after finalisation of the text, the Council adopted its common position on the Directive on markets in financial instruments (13421/03, ADD 1, 15277/03 ADD 1).

Ireland, Luxembourg, Finland, Sweden and the United Kingdom voted against the common position.

Counterfeit euro coins

In order to provide a permanent basis for existing cooperation, for the purpose of analysing and classifying counterfeit euro coins, the Council adopted two Decisions.

Firstly, a Decision based on Article 123(4) in order to provide a permanent basis for cooperation between the European Technical and Scientific Centre and the Coin National Analysis Centres (15201/03) and secondly a Decision extending the applicability of the first Decision to non-participating Member States (15203/03).

Changes in the design of national sides of euro coins - *Council conclusions*

The Council adopted the following conclusions on the Commission Recommendation on a common practice for changes in the design of national obverse sides of euro coins:

- “1. The Council welcomes the common practice for changes to the design of national obverse sides of the euro circulation coins, which was presented by the Commission in its Recommendation adopted on 29 September 2003 and which was prepared in close cooperation with Member States.
2. In particular the Council agrees on the following elements:
 - Member States should refrain from changing the national side of their euro circulation coins until the end of 2008, except when the Head of State who is depicted on a coin changes¹;
 - The present moratorium on issues of commemorative coins intended for circulation, which was established by the Ecofin Council on 23 November 1998, should be lifted. From 2004 onwards, Member States will be permitted to issue commemorative euro circulation coins showing a national design which is different from the normal euro circulation coin design. These commemorative issues will be subject to the following conditions:
 - (a) the number of issues should be limited to one per issuing State per year, without prejudice to point (c)(i) below;
 - (b) the 2-euro coin should be the sole denomination used for such issues;
 - (c) the total number of coins put into circulation for each individual issue should not exceed the higher of the following two ceilings:
 - (i) 0,1% of the total number of 2-euro coins in circulation, brought into circulation by all issuing States, at the beginning of the year preceding the year of issuance of the commemorative coin, this ceiling being raised exceptionally to up to 2,0% of the total circulation of 2-euro coins of all issuing States if a truly global and highly symbolic event is commemorated, in which case the issuer should refrain from launching another similar commemorative circulation coin issue during the subsequent four years;
 - (ii) 5,0% of the total number of 2-euro coins in circulation, brought into circulation by the issuing State concerned, at the beginning of the year preceding the year of issuance of the commemorative coin.

¹ NB This refers to both the case where the appearance of the Head of State depicted on a coin changes, and the case where the Head of State changes.

As a rule, the Commission should be informed about intended changes to the national designs of euro coins at least 6 months before the coins are issued; it will refer to the Economic and Financial Committee for approval of all commemorative circulation coins having an envisaged issuing volume exceeding the 0.1% ceiling referred to in point (c) (i) above, including approval of the envisaged issuance volume. The Member States and the Commission will take the necessary measures to ensure that the public is informed in advance of any issues involving new designs, notably via the Official Journal of the European Union.”

Budget – Iraq

In the framework of the conciliation meeting of 24 November 2003, the European Parliament and the Council agreed on the mobilisation of the flexibility instrument for an amount of EUR 95 for Iraq.

The two institutions also confirmed the global amount of EUR 200 million for 2003 and 2004 for financing the rehabilitation and reconstruction of Iraq.

Following the agreement with the European Parliament, the Council formally decided, by written procedure, the mobilisation of the flexibility instrument.

JUSTICE AND HOME AFFAIRS

Countering illegal immigration - *Council conclusions*

The Council, with a view to carrying out a systematic assessment of relations with third countries that do not cooperate in combating illegal immigration, adopted conclusions on the establishment of a monitoring and evaluation mechanism.

“Background

1. The Seville European Council, in paragraphs 34-36 of its conclusions, highlighted the importance of ensuring the cooperation of countries of origin and transit in the joint management of migration and border control as well as on readmission. Cooperation should bring results in the short and medium term and the Union is prepared to provide the necessary technical and financial assistance for this purpose. On the same occasion, the European Council considered it necessary to carry out a systematic assessment of relations with third countries which do not cooperate in combating illegal immigration. That assessment will be taken into account in relations between the European Union and its Member States and the country concerned, in all relevant areas. Insufficient cooperation by a country could hamper the establishment of closer relations with the Union.

2. The Council, in its conclusions of 18 November 2002, reaffirmed these concepts and elaborated on them, identifying nine third countries to be considered as a priority for intensifying or initiating cooperation on the management of migration flows. Those guidelines were recalled also in the Council conclusions of 19 May 2003 on migration and development.
3. In Thessaloniki, the European Council returned to this issue, reaffirming that EU dialogue and actions with third countries in the field of migration should be part of an overall integrated, comprehensive and balanced approach, which should be differentiated, taking into account the existing situation in the different regions and in each individual partner country. In this respect, the European Council recognised the importance of developing an evaluation mechanism to monitor relations with third countries which do not cooperate with the EU in combating illegal immigration and indicated some topics to be primarily included in this mechanism.

Definition and functioning of the mechanism

4. The aim of the mechanism should be to monitor the migratory situation in the third countries concerned, their administrative and institutional capacity to manage asylum and migration, including the actions undertaken in order to tackle illegal immigration. Therefore, the mechanism should provide all relevant information for the systematic assessment and evaluation of the cooperation of these countries, as provided for in the Seville European Council conclusions, as well as the reasons that might hamper effective cooperation. In addition, the mechanism could be of value to the Commission in its programming responsibilities toward relevant third countries, without any prejudice to the division of competencies between the European Community and its Member States.
5. In accordance with the Thessaloniki European Council conclusions, the Commission is invited to report annually on the results of the monitoring and assessment activity and to make proposals or recommendations, as it deems appropriate. In order to facilitate the preparation of this report, the Commission, with the full participation of the Member States, would draw up a list of indicators, based on the priority topics indicated by the Thessaloniki European Council. This list should be used in a flexible manner, on a "case by case" basis. To orientate this work, the Council, recalling the importance of respect for democratic principles and rule of law, as well as human and minority rights and fundamental freedoms, recommends focusing on the following areas:
 - a. Existing national legislation aimed at preventing and combating illegal migration and its implementation, as well as participation in international instruments dealing with asylum and migration, such as the 1951 Geneva Convention relating to the Status of Refugees and related Protocol on the Status of Refugees, New York 1967, the 1954 New York Convention relating to the Status of Stateless Persons, the 2000 Palermo Convention against Transnational Organised Crime, its Protocol to Prevent, Suppress and Punish Trafficking in Persons Especially Women and Children and Protocol against the Smuggling of Migrants by Land, Air and Sea.

- b. Efforts in migration management, border control and interception of illegal immigrants, taking into account the extent of migratory pressure in the country concerned and its migratory patterns. Special attention would need to be given to the efforts related to the fight against smuggling and trafficking in human beings.
 - c. Cooperation in readmission/return of their own nationals and of third-country nationals, giving special attention to the readmission of their own nationals without formalities and providing all necessary documentation, as well as to the conclusion and implementation of readmission agreements with the European Community, its Member States and relevant third countries.
 - d. Cooperation on visa policy, with particular attention being paid to the adequacy of the list of countries for which visas are required, the possible adaptation of their visa systems, the visa and travel documents issuing procedures, security of travel documents and visas and possible forms of consular cooperation with other countries in the same geographical area and with Member States of the European Union.
 - e. Asylum systems: besides participation in international legal instruments, the establishment of national legislation to deliver the effective protection required under international law, the appropriate administrative structure for processing asylum applications, including adequate training for personnel involved and reception arrangements which ensure asylum applicants can have a reasonable standard of living.
6. The monitoring activity should be carried out, where possible, in partnership with the third country concerned, on the basis of agreed objectives and activities for each individual country. Existing agreements between the Community and its Member States and the third countries concerned would be used as the framework for the agreed objectives and their implementation. The monitoring and assessment activities should be implemented on a "case by case" basis, taking into account the different degrees of development in the relations between the country concerned and the Union, the Community and its Member States.
7. Member States and acceding States are invited to cooperate fully with the Commission and to share all relevant information in order that a complete assessment of the situation in the country can be made. According to the Thessaloniki Conclusions, the ILO network should be used to collect elements on topics that fall under their competence. For a more general and political view, as well as for any other useful information for the mechanism, HOMs reports could be requested from Member States' Embassies and the Commission's Delegations in the third countries concerned, covering in addition information that could be collected through intensified consular cooperation.

Implementation of the mechanism

8. In principle, the mechanism should cover all relevant third countries to assess their cooperation in combating illegal immigration. However, in order to test its functioning, a pilot phase is recommendable. Therefore, for the first year, the mechanism could cover a limited number of third countries, considering the priorities identified by the Council in its 18 November 2002 Conclusions. The Commission is invited to present its first annual report, in which it could also make proposals for improving the mechanism, before the end of 2004."

FISHERIES

Modification of 2003 fishing quotas for herring and anglerfish*

The Council adopted a Regulation amending Regulation (EC) No. 2341/2002 as regards fishing opportunities for anchovy and anglerfish in certain zones, with the abstention of the Spanish delegation (*15383/03, 15700/03 ADD 1*).

The Regulation considerably amends the initial proposal by deleting, on the one hand, the provisions made regarding the reduction by 22 000 tonnes of the total allowable catch of anchovy in Zone "VIII" of Annex ID to Regulation (EC) No 2341/2002.

The Regulation introduces on the other hand, new provisions concerning an increase of the fishing possibilities for herring - from 60 000 tonnes to 66 000 tonnes for Finland and Sweden -in Annex IA of Regulation (EC) No 2341/2002, with regard to a recommendation adopted by the International Baltic Sea Fishery Commission (IBSFC).

Finally, the Regulation does not change the proposed increase of the TAC for anglerfish in Zone "VII" from 15 810 tonnes to 17 138 and in Zone "VIIIa,b,d,e" from 3562 tonnes to 3862 tonnes.

The initial proposal amended the entries concerning the species "anchovy" in zone "VIII" and the species "anglerfish" in zones "VII" and "VIIIa, b, d, e" in Annex ID to Regulation (EC) No 2341/2002. This included dividing by three the anchovy catch in Zone VIII (fishing grounds for France and Spain) from 33 000 tonnes to 11 000 tonnes (the figure for Spain's being reduced from 29 700 to 9 000 and for France from 3 300 to 1 100 tonnes) following new scientific advice from the Commission's Scientific, Technical and Economic Committee for Fisheries, relating to "In-season assessment of anchovy in the Bay of Biscay". The proposal also increased the TAC for anglerfish in Zone "VII" from 15 810 tonnes to 17 138 tonnes and in Zone "VIIIa,b,d,e" from 3562 tonnes to 3862 tonnes.

GENERAL AFFAIRS**Staff regulations for EU officials – Remuneration and pensions – Transitional measures**

The Council adopted a Regulation adjusting, with effect from 1 January 2004, the remuneration and pensions of European Union civil servants (14784/03), and a Regulation on transitional measures (in particular with regard to remuneration and pensions) to be applied under the reform of the EU staff regulations (13831/03).

The Council adopted both Regulations by qualified majority, the Danish delegation voting against.

The Regulation on the reform of the staff regulations is due to enter into force on 1 May 2004.
